

Message Text

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12

ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 L-03 H-02 PA-01 PRS-01 IO-13 /095 W

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R 090135Z AUG 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 860

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USADB

FOR NAC AGENCIES

E.O. 11652: ADS, DECLAS: 12/31/76

TAGS: EAID, EFIN

SUBJECT: PAPUA NEW GUINEA URBAN WATER SUPPLY PROJECT

1. GOVERNMENT OF PAPUA NEW GUINEA (PNG) HAS REQUESTED THAT LETTERS OF INVITATION TO SHORTLISTED CONSULTANTS BE ALLOWED TO BE ISSUED FORTHWITH IN ADVANCE OF BOARD APPROVAL OF A PROPOSED LOAN FOR AN URBAN WATER SUPPLY PROJECT. BANK REGULATIONS PERMIT ADVANCE DISPATCH OF INVITATIONS WHERE WARRANTED IN EXCEPTIONAL CIRCUMSTANCES.

2. EARLY IN 1975, PNG REQUESTED BANK TO FINANCE FOREX COST OF DEVELOPMENT OF WATER SUPPLY FACILITIES FOR FOUR MUNICIPALITIES IN PAPUA NEW GUINEA. IN THREE OF THE MUNICIPALITIES THERE EXISTS NO RETICULATION SYSTEM AND IN FOURTH ONLY 40 PERCENT OF POPULATION IS SUPPLIED BY PIPED WATER. IN VIEW OF RAPID POPULATION GROWTH, GOVERNMENT CONSIDERS DEVELOPMENT OF SAFE AND RELIABLE WATER SUPPLY FACILITIES A PRESSING SOCIAL NEED.

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3. LOAN NEGOTIATIONS BETWEEN GOVERNMENT AND BANK COMMENCED ON 11 NOV. 75, BUT WERE SUSPENDED ON 17 NOV. OWING TO DISAGREEMENT ON TWO POINTS; I.E. OVERALL COST ESTIMATES AND BANK'S REQUIREMENT THAT TECHNICAL ASPECTS INVOLVING GROUNDWATER POTENTIAL MUST BE REVIEWED AS FIRST STEPS OF DETAILED DESIGN. SUBSEQUENTLY, A HYDROLOGIST WAS ENGAGED BY BANK, WITH CONCURRENCE OF GOVERNMENT. HIS FINDINGS HAVE NOW BEEN ACCEPTED BY GOVERNMENT; AN APPRAISAL REPORT AND LOAN DOCUMENTS ARE BEING REDRAFTED; AND CIRCULATION OF LOAN DOCUMENTS FOR BOARD CONSIDERATION IS SCHEDULED FOR AUGUST OF THIS YEAR.

4. PROPOSED PROJECT, AS REVISED, COMPRISES FOLLOWING:

(A) DETAILED ENGINEERING DESIGN AND CONSTRUCTION OF WATER SUPPLY FACILITIES FOR THREE MUNICIPALITIES (LAE, WAWAK, AND MT. HAGEN); AND

(B) DETAILED ENGINEERING DESIGN FOR ONE MUNICIPALITY (MADANG), TO INCLUDE AN INVESTIGATION OF GROUNDWATER POTENTIAL. IT IS EXPECTED THAT GOVERNMENT WILL REQUEST A BANK LOAN FOR CONSTRUCTION WORKS FOR THIS MUNICIPALITY IN LATE 1977 OR 1978.

5. PROPOSAL OF GOVERNMENT TO ISSUE ADVANCE LETTERS OF INVITATIONS IS RELATED TO DELAYS THAT HAVE OCCURRED AFTER APPRAISAL, AND PNG'S EAGERNESS TO ACCELERATE IMPLEMENTATION OF PROJECT. PROVISION FOR EARLY ISSUANCE OF LETTERS TO SHORT-LISTED CONSULTANTS IS PROVIDED IN DOC. IN. 70-73 DATED 12 JULY 1973, SECTION 3.3.4, AS INTERPRETED BY BANK'S GENERAL COUNSEL.

6. IF NO OBJECTION TO, OR REQUEST FOR DISCUSSION OF, RECOMMENDATION IS MADE BY ANY MEMBER OF BOARD OF DIRECTORS BY AUGUST 10, RECOMMENDATION WILL BE DEEMED TO HAVE BEEN APPROVED. USADB DOES NOT PLAN TO OBJECT.

7. ADB. DOC. R84-76 ON ABOVE SUBJECT WAS POUCHED AUGUST 5.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WATER SUPPLY SYSTEM, LOANS, CONSULTANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MANILA11806
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760305-0761
From: MANILA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1976/newtext/t19760872/aaaackxn.tel
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Margaret P. Grafeld
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04 MAY 2006

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